

**MEWBOURNE OIL COMPANY
AUTHORIZATION FOR EXPENDITURE**

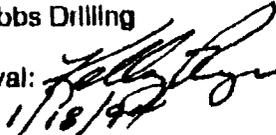
Prospect: Illinois Camp Morrow
Well Name and No. Illinois Camp #20 State #1
Section: 20 Block
County: Eddy, New Mexico

Field: ILLINOIS CAMP MORROW
Location: 660' FNL & 1980' FWL
Township: 18S Range: 28E
Proposed Depth: 10,600'

DESCRIPTION		Cost To Casing Point AFE NO.	Completion Cost AFE NO.
INTANGIBLE COST 180			
300	Permits and Surveys	500	1000
301	Location, Roads and Surveys	24000	1000
302	Footage or Turnkey Drilling	201400	0
303	Day Work	17000	0
304	Fuel, Water and Other	21000	1500
305	Completion/Workover Rig	0	22000
308	Mud and Chemicals	25000	500
307	Cementing	19800	18000
308	Logging and Wireline	22000	8500
309	Casing-Tubing Services	3500	1500
310	Mud Logging	5500	0
311	Testing	3500	2000
312	Treating	0	47000
313	Coring	0	0
320	Transportation	2500	4700
321	Welding and Construction Labor	1000	1000
322	Contract Supervision	0	0
330	Equipment Rental	7000	5000
334	Well/Lease Legal/Tax	1700	0
335	Well/Lease Insurance	8500	0
350	Intangible Supplies	500	500
360	Pipeline ROW and Easements	0	5000
367	Pipeline Interconnect	0	0
375	Company Supervision	36000	12000
380	Overhead Fixed Rate	11500	9000
399	Contingencies	8198	2764
Total Intangibles		\$418,098	\$140,964
TANGIBLE COST 181			
	Conductor Casing	0	0
	Surface Casing 13 3/8" @ 500'	9000	0
	Intermediate Casing 9 5/8" @ 4,550'	49000	0
	Production Casing	0	70000
	Production Casing	0	0
	Tubing	0	25000
860	Drilling Head	3500	0
865	Tubing Head	0	2000
870	Upper Section	0	8500
875	Sucker Rods	0	0
880	Packer, Pump & Other Subsurface	0	8000
885	Pumping Unit & Prime Mover + Electricity	0	0
880-1	Tanks (Steel & Fiberglass)	0	8000
894-5	Separation Equipment (fired, Non-fired)	0	8500
898	Metering Equipment	0	5000
900	Line Pipe	0	28000
905	Valves	0	2000
908	Miscellaneous Fittings & Accessories	0	5000
910	Production Equipment Installation	0	18000
920	Pipeline Construction	0	34000
Total Tangibles		\$81,500	\$212,000
		SUBTOTAL	\$352,964
		\$479,598	\$352,964
		\$832,562	

Date Prepared: October 20, 1993

Prepared By: Hobbs Drilling

Company Approval: 

Date Approved: 1/18/94

Joint Owner Approval:

Joint Owner Interest:

Joint Owner Amount:

**BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico**

Case No. 10944 Exhibit No. 2

Submitted by: Mewbourne Oil Company

Hearing Date: March 17, 1994